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The Honorable Ted Stevens
United States Senator
Washington, DC

The Honorable Tony Knowles
Governor of Alaska
Juneau, AK

Dear Senator Stevens and Governor Knowles:

It is my pleasure to transmit to you a summary of the recommendations of the Alaska Fish Summit held in Kodiak last month.

You asked 40 Alaska fisheries leaders – harvesters, processors and community leaders – from throughout Alaska to join you in an effort to address the formidable challenges faced by Alaska's salmon fishing industry.

Senator Stevens asked the participants to

“consider certain principles in formulating your ideas. Proposals should foster the ability of local fishermen to participate in diverse fisheries. Proposals should explain how particular market development or regulatory changes are directed at developing high value domestic and global markets. There should be consideration to bring local small boat fishermen into the developing market with fish products that they can realistically hope to market. In other words, the proposal itself must have a sense of community built into each concept.”

Governor Knowles suggested three principles to “develop and implement a 21st century business plan for the wild salmon industry that addresses the efficiencies of the industry and the quality and abundance of the resource”:

“... We must protect our wild salmon asset. . .

We have to have a fair level playing field in our competition with farmed salmon. . .

We have to restructure the relationships between industry and government . . . a true partnership that recognizes that we need to have marketing and price support; we need better research; we need protection of the watersheds; we need better transportation, utilities, management, and regulations; we need to address the problems of overcapitalization.”

The group of Alaskans you chose to represent the fishing industry and fishing communities clearly understood the challenges their industry is facing. In the brief time they had available for policy discussions, they reached consensus on the need for unity in the industry and a process for continued dialog on solutions to industry and community problems.

The Alaska Fish Summit concurred in your vision, setting a goal “to create a sustainable and economically competitive salmon industry that provides a solid and stable economic foundation for Alaska coastal communities.”

The summit endorsed a series of actions outlined on the attached summary. Major recommendations included:

The Alaska Fish Summit endorsed passage of Senate Concurrent Resolution 28, establishing the Joint Legislative Salmon Industry Task Force, sponsored by Senator Austerman and numerous co-sponsors and cross-sponsors. The Summit recommended the Task Force include Legislators, fishermen and processors, be funded by the state and federal governments, and that it work on what the state, the federal government, and industry can do to deal with current salmon fishing issues.

The Alaska Fish Summit endorsed creation of regional task force sub-groups to work on fleet reduction and fleet behavior strategies, to include processor-harvester cooperation, and to deal with infrastructure and transportation issues. The Summit further suggested fishery-by-fishery working groups to work on actions to improve the cost structure of each fishery.

The Alaska Fish Summit recommended a marketing vision for Alaska to develop the brand and stick with the strengths of Alaska salmon. The state and industry should develop a comprehensive marketing strategy, moving beyond promotion of Alaska salmon. Quality should be tied to marketing, including consideration of state incentives for promoting quality.

The Alaska Fish Summit recognized the needs of fishing communities – those people that fish or are dependent on fisheries, including businesses and governmental entities. Alaska fishing communities need adequate markets, emergency funding, and alternatives. Communities need processes to determine community needs and act on those needs.

The Alaska Fish Summit participants believe that Alaska’s salmon industry needs to undergo significant changes to deal with the realities of today’s global markets. The participants commend the Alaska Fish Summit outline of recommendations to the Joint Legislative Salmon Industry Task Force, and other federal, state and local policy-makers as you work together to meet the industry’s challenges.

Thank you for the opportunity to work on this important issue.

Sincerely,

Brian Rogers
Facilitator

Alaska Fish Summit

Plenary Session Recommendations

The Alaska Fish Summit endorses passage of Sen. Austerman's Joint Legislative Salmon Industry Task Force in Senate Concurrent Resolution 28, with the following recommendations:

1. State funding at \$500,000 level
2. Additional federal funding to match
3. Task Force objectives
 - a. What state and federal governments can do
 - b. What industry can/should do
4. One-year time frame for Task Force activity
5. Task Force should include Legislators, fishermen, processors
6. Issues for Task Force to examine or consider:
 - a. ASMI – direct marketing
 - b. Fisheries business tax rates
 - c. Consider ongoing Alaska Salmon committee
 - d. Competing models for fisheries
 - e. Oversight model
 - f. Agriculture and fisheries political connections at the federal level
 - g. ANWR resources as base for funding renewable resources
 - h. Business efficiencies with community safeguards
 - i. Vertical cooperation models
 - j. Other rules and regulations – in season management opportunities
 - k. Ensure there is a resource to harvest
 - l. How to get more value from resource
 - m. How many shares of resource?
 - n. Harvesters need new jobs-work force
 - o. Facilitate effort to build relationship
 - p. Processors and harvesters tied together
 - q. Expanding the marketing pie
 - r. Consider protein competition – beef, pork, chicken
 - s. Recognize shared vision for industry
 - t. Account for subsistence - a way of life

Alaska Fish Summit
Break-out Group Recommendations

A. Fisheries Business Processes Recommendations

Goals of Statewide – Regional – Fishery-by-fishery Processes:

To create a sustainable and economically competitive salmon industry that provides a solid and stable economic foundation for Alaska coastal communities

1. Organize for business process change on a three-tier basis
 - a. Statewide – Joint Fisheries Task Force
 - b. Regional – Regional Task Force sub-groups
 - c. Fishery-by-Fishery – Working groups
2. Roles of each
 - a. Statewide – Joint Fisheries Task Force
 - i. Task Force sets statewide policies
 - ii. Task Force establishes framework for local decisions
 - iii. Task Force establishes structures that make regional change possible
 - iv. Task Force considers quality issues
 - b. Regional Task Force Sub-Groups
 - i. Sub-Groups decide regional and local issues
 - ii. Sub-Groups work on fleet reduction and fleet behavior strategies
 - iii. Sub-Groups include processor – harvester cooperation
 - iv. Sub-Groups deal with infrastructure and transportation issues
 - c. Fishery-by-Fishery Working Groups
 - i. Working Groups determine immediate steps that can be taken without statutory or regulatory change
 - ii. Working Groups cooperate to improve cost structure of each fishery
 - iii. Working Groups address issues of product quality
 - iv. Working Groups address issues of product recovery
3. Joint Fisheries Task Force must identify and agree on essential statewide actions
 - a. Addressing limited entry system common issues to all fisheries and regions
 - b. Rules statewide for recapture of permits
 - c. Rules for restructuring fishery
 - d. Statewide business plan actions
 - e. Regulatory review of all that affect industry
 - f. Recognize supply side costs of fisheries management
 - i. ADF&G Habitat
 - ii. ADF&G Commercial Fish and Research
 - g. Consider specific actions to improve economic conditions:
 - i. Antitrust exemption for processors
 - ii. Tax credits and other common issues
 - iii. Regulations to decrease cost/enhance quality and product recovery
 - iv. Allow harvesters and processors to sell net operating losses

4. Regional Sub-groups of the Joint Fisheries Task Force
 - a. One Sub-Group for each of eight basic salmon regions
 - b. Sub-Groups can follow general model of studies now being undertaken by BBDC
 - i. Legal issues
 - ii. Regulatory issues
 - iii. Economic issues
 - iv. Community issues
 - c. Goal should be a business plan for each region which allows communities to survive, including both short-term and long-term actions
5. Fishery Working Groups
 - a. Include harvesters, processors, and ADF&G
 - b. Consider in-season management opportunities to improve fishery economics
 - i. Timing of in-season openings to optimize harvester and processor utilization
 - ii. Changes to fishing regime and tendering plans
 - c. Consider infrastructure and transportation improvements that would improve product quality
 - i. Improved air transportation
 - ii. Improved roads from communities to airports
6. Competition in fisheries
 - a. Competition – wake-up call and asset/not us
 - b. The competitions business plan focuses on world protein needs
 - c. Competition – the race for fish is not going to work
 - d. World market is who we should compete with, not ourselves
 - e. Recognize change will continue in the markets; don't structure current plan for here-and-now

B. Marketing and Quality Recommendations

Marketing Vision: Alaska needs to develop the brand and stick with the strengths of Alaska salmon.

1. Money - There needs to be significant amount of new funds for activities.
 - a. ASMI needs more money!!!
2. Role of the State and/or ASMI –
 - a. Should the state move beyond “promotion”
 - b. Should the state develop a comprehensive marketing strategy by addressing and typing together:
 - i. Product – Pricing – promotion – placement.
 - c. Should ASMI be changed to allow marketing programs for regional or special products
 - d. Should the use of ASMI's promotions be tied to quality or new products.
 - e. Should ASMI's funding be untied from Legislative oversight
 - f. Should evaluation measures be applied
 - g. Should the State develop incentives for marketing new products

3. Quality is tied to marketing
 - a. Quality needs to be tied to branding
4. Focus on branding
5. State/ASMI v. other marketing models - Cooperation v. competition
 - a. How to handle regional marketing
 - b. Should there be smaller marketing associations
 - c. Should there be a private marketing organization to compete with ASMI
 - d. Should we maintain status quo
6. How to treat farmed salmon
 - a. Need truth in labeling – full disclosure
 - b. Farmed folks have lots of money – avoid bashing/avoid confusing the consumer
 - c. Stick with ASMI's current message
 - d. Address environmental concerns in political arena
 - e. We should co-market with farmed salmon
7. Regional Marketing Issues
 - a. Should have education of marketing
 - b. Involve quality standards into developing how a region approaches marketing
 - c. Avoid confusion between regional & ASMI
 - d. Concerned it will take money from ASMI
8. Quality Issues
 - a. Review Board of Fish & Alaska Department of Fish & Game harvest management
 - b. Suggestions range from changing harvest windows to establishing a rights based fisheries
9. Management needs to consider transportation logistics.
 - a. This includes some level of coordination with freight carriers and processors.
10. Should we develop state incentives for promoting quality – either punitive or positive
 - a. Standards should apply to harvest and processing side
 - b. Reshape regulatory regime to consider fish as food from the point of harvesting
 - c. Establish mandatory standards based on type of product
 - d. Quality associated to grades
 - e. Must be sensitive to regions
 - f. Need minimum icing/bleeding
 - g. Can develop minimums and phasing implementation
 - h. State must be consistent in funding levels – ex: cutting money to DEC
 - i. Quality must be executed on throughout the distribution chain
 - j. Education will contribute to retailer understanding of how to stock and promote fillets
11. Regional quality standards
 - a. How to implement?
 - b. Let regions establish quality standards and let salmon fall into grading standards

C. Community Recommendations

Fishing Communities: Those people that fish or are dependent on fisheries, including businesses and governmental entities.

1. Plans for dealing with fisheries issues should consider
 - a. Short term needs
 - b. How communities should participate in process and communities develop their own needs?
2. Short term needs: (some of these are also long term)
 - a. Adequate markets for fish (ex-vessel) statewide.
 - i. Determine method of assessing market capacity for individual fishers
 - ii. Deal with Magnuson Act issues
 - iii. Revisit international waters permit process.
 - b. Emergency funding
 - i. Living expenses (immediate/short term)
 - ii. Start of season expenses
 - c. Alternative jobs – realistic re-training (also long-term)
 - d. Loan extensions
 - e. Focal point for information and help
 - f. Short-term assistance to cities and villages who depend on raw fish tax revenues.
 - g. Municipal-larger share than 50% (also long-term)
 - h. Capital projects to communities
 - i. Assessment of ability to deal with social problems
 - j. Adequately fund education (also long-term)
 - k. Devolution of state activities out to local level (also long-term)
 - l. Assessment of energy costs
 - m. Partnerships rural/urban for workforce development
2. How will communities participate and community needs be determined?
 - a. Community models in existence
 - i. Bristol Bay
 - ii. Kenai Peninsula Borough
 - iii. Aleutians East Borough
 - b. Immediately address some needs, but understand longer-term implications
 - c. Should be done on a regional/watershed basis
 - d. Consensus is a necessity
 - e. Identify the points of agreement first
 - f. Each region needs resources for hiring planner (with economic development function) and grant writer
 - g. Community role in the larger process (participation in the Joint Fisheries Task Force) – coastal and rural communities need to have a real direct presence on task force
 - h. Issues require statesmen, with the interests of everyone in the state at heart
 - i. Executive and legislative branches must work together
 - j. This is a statewide issue, not just rural or coastal
 - k. Process must have trust of the people